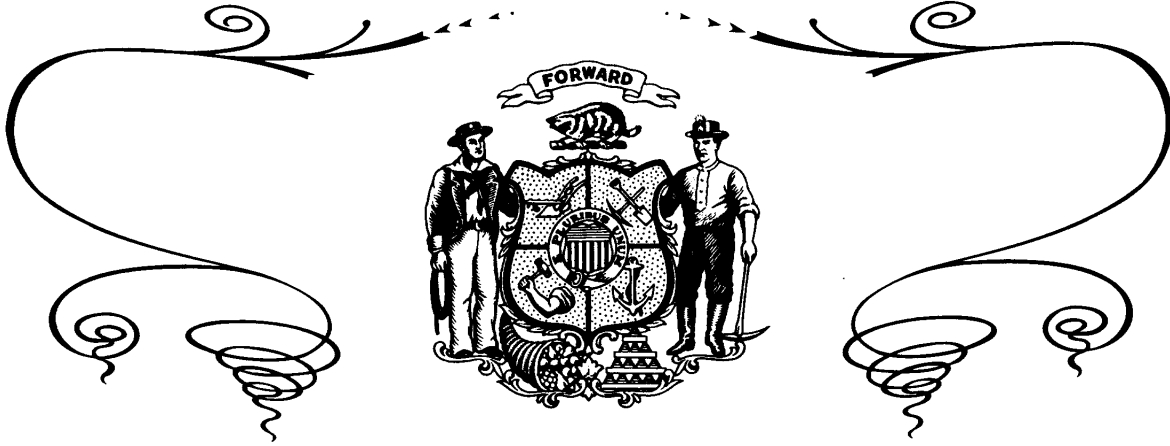


# State of Wisconsin



2001 Senate Joint Resolution 31

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## ENROLLED JOINT RESOLUTION

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**Relating to:** urging schools to improve the personal money management skills of high school students.

Whereas, today's goods and services are more readily available to young people via the Internet and through more traditional venues; and

Whereas, many young people have access to money, but lack the skill to manage their financial affairs; and

Whereas, the United States has one of the lowest savings rates of any industrialized nation and the personal savings rate has actually gone negative as of November 2000, dipping to 0.8% of disposable income, compared to just over 5 years ago when the personal saving rate stood above 6%; and

Whereas, Federal Reserve Board data shows that 56% of U.S. households have failed to save enough for retirement; and

Whereas, both parents and students failed the National Council on Economic Education's 1999 test of knowledge on basic economic principles, with adults and high school students scoring, on average, grades of 57% and 48%, respectively; and

Whereas, the grades of high school seniors, with a failing score of 52%, participating in a recent national financial literacy survey conducted last year found that students know even less today than their counterparts did 3 years ago about such topics as paying taxes, using credit cards, or saving for retirement; and

Whereas, 49% of respondents of that national survey did not know that sales taxes made it more expensive to buy goods and services and 76% thought having an automated teller machine card entitled them to get cash anywhere in the world with no fee; and

Whereas, the same survey found that over 51% of respondents learned the most about money management at school; and

Whereas, since 1995, consumer expenditures have increased 4.4% annually, much faster than the 3.3% increase in disposable personal income; and

Whereas, the members of the Wisconsin legislature agree, as the Federal Reserve Board recently opined, that the free market works best if consumers make informed financial decisions about savings, borrowing, investing, and banking; and

Whereas, teaching our children about money matters at an early age will help them make more informed choices about the products and services available in today's complex financial marketplace; and

Whereas, a commitment to teaching sound personal money management in our classrooms today will diminish the need for remedial legislation, like bankruptcy reform tomorrow; and

Whereas, there are many excellent money management educational materials available both on the Internet and elsewhere from a variety of consumer education groups, financial institutions, and credit card grantors at little or no cost; and

Whereas, a recent survey by the Federal Government shows that 81% of the nation's parents want solid personal finance courses taught in their children's schools and fewer than one out of every 5 believe their children's schools are adequately teaching money management skills; and

Whereas, Federal Reserve Board Chairman Alan Greenspan stated in a recent speech that the proliferation of information technologies throughout the economy in recent years has likely accelerated the shift in the skill requirements of many occupations away from routine work to analytical tasks and, because of it, an understanding of economic principles is even more critical; and

Whereas, Chairman Greenspan stated that early success in economic problem solving clearly enhances the self-esteem of young people and encourages them to engage in ever more complex reasoning; and

Whereas, the U.S. Department of Education has found that fewer than one-half of the high school seniors who were surveyed said that they like mathematics, increasing the importance that money skills are taught in detail to Wisconsin high school juniors and seniors; now, therefore, be it

**Resolved by the senate, the assembly concurring, That** school administrators and teachers, parents, business leaders, and concerned citizens should immediately:

(1) Explore ways to teach in a meaningful way a financial literacy program that would include such topics as budgeting, economics, insurance, investing, managing credit, monetary policy, financial planning, retirement savings, consumer loans, and mortgages;

(2) Review existing financial literacy programs and materials that are available in both the private and public sector, with the aim of formalizing a personal money management course; and

(3) Work to have the course taught to junior and senior high school students to better insure that Wisconsin students develop the knowledge base they will need to succeed as members of the workforce and consumers in the complex 21st century economy; and, be it further

**Resolved, That** the members of the Wisconsin legislature support the creation of a study or task force with the appropriate state agencies to collaborate and participate with public and private organizations to promote and foster the teaching of financial education programs to Wisconsin's youth.

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Representative Scott R. Jensen  
Speaker of the Assembly

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Senator Fred A. Risser  
President of the Senate

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Date

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Donald J. Schneider  
Senate Chief Clerk